

Grid West Bylaws

December 3, 2004

The attached comments reflect comment log number(s): GWB-052 through GWB-052.

Allen Burns – R-3
Syd Berwager – R-3
Preston Michie – R-3
Tara Exe – R-3
Steve Larson – L-7

NOTE: If you have any changes to the above distribution list, please contact Ginny Kuehn, x4413. Thank you.

Grid West Bylaws

03-Dec-04

Specialist: Tara Exe

Program Office: Industry Rest.

Comment Close Date: 9/3/2004

Comment Log #	First Name	Last Name	Affiliation	Receipt Date	Notes
GWB-052	Dave	Muller	Lewis County PUD	12/3/2004	Resolution No. 2281

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Lewis County PUBLIC UTILITY DISTRICT

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November 29, 2004

GW3-052
DEC 03 2004

Mr. Terry Mundorf
Marsh Mundorf Pratt Sullivan & McKenzie
16504 – 9th Avenue S.E., Suite 203
Mill Creek, WA 98012

Dear Terry:

The attached resolution was adopted by our Board of Commissioners at their regular meeting today.

Sincerely,



Dave Muller
Manager

DJM/cb
Enclosure

cc: Steve Johnson, WPUDA
Senator Patty Murray
Senator Maria Cantwell
C. Clark Leone, PPC
~~Allen Burns, BPA~~



RESOLUTION NO. 2281

A RESOLUTION OPPOSING THE APPROVAL OF THE PROPOSED
DEVELOPMENTAL BYLAWS FOR GRID WEST BY THE REGIONAL
REPRESENTATIVES GROUP AND ADOPTION OF THE DEVELOPMENTAL
BYLAWS BY THE BOARD OF TRUSTEES OF GRID WEST

WHEREAS, the Board of Commissioners of Public Utility District No. 1 of Lewis County (District) has followed the development of regional transmission organizations ("RTOs") in other areas of the country; and

WHEREAS, the track record to date has been that RTOs have become ever expanding and more costly bureaucratic organizations that have imposed every increasing costs on transmission users with no appreciable increase in transmission capacity or reliability; and

WHEREAS, many national public power organizations that have been supportive of RTO formation are re-examining their support of RTOs in light of the history of every increasing costs and minimal benefits provided by such organizations; and

WHEREAS the District has observed the activities of the Regional Representatives Group ("RRG") of Grid West, and its predecessor RTO West, in attempting to identify both problem areas with the present transmission system and cost-effective solutions that would be an improvement over current circumstances; and

WHEREAS, in December of 2003, the RRG developed a high level concept for identifying transmission system problems and coming up with least cost solutions on a gradual, incremental basis; and

WHEREAS, a majority of the RRG members decided that this high level concept had sufficient promise to justify further investigation and development to determine if it was a useful approach for identifying and addressing specific regional transmission problems; and

WHEREAS, the District felt that the efforts of the RRG to identify specific problems and tailor limited solutions to resolve them in a least cost manner had some promise, and might be good for the region and its electric customers; and

WHEREAS, the District has viewed with alarm and disappointment the change in the focus of the RRG and its recent efforts; and

WHEREAS, the RRG efforts now are focused not on specific, cost-effective solutions to discrete transmission problems, but rather on a complete transformation of the existing transmission system, consolidation of the Bonneville transmission system with that of PacifiCorp and Idaho Power, and on an institution building effort to create yet another regional organization before the task of the new organization is even identified and understood; and

WHEREAS, the District believes that this is a major change in the direction and effort of the RRG, and is inconsistent with the program that was described to the region by the RRG in December of 2003; and

WHEREAS, the District believes that the proposal to continue this institution building effort by adopting the proposed Developmental Bylaws for Grid West at this time will materially detract from the more important effort of identifying and resolving specific regional transmission problems in a least cost manner, and will preclude the consideration and use of more focused and more cost-effective solution; and

WHEREAS, the District believes that the adoption of the proposed Developmental Bylaws is untimely as there has been no analysis to determine if the benefits of creating this organization outweigh the costs, and because the Bonneville Power Administration has been unwilling to provide its preference customers with the assurances that this new regional organization will not materially alter the type and cost of transmission service they receive; and

WHEREAS, it is not in the interests of the region, its electricity users, or the utilities that serve them, nor does it make any sense to spend time, money and effort to adopt bylaws and establish an organization before the task of that organization is identified and understood, and before it is determined whether the benefits of such an organization would be outweighed by its costs.

NOW, THEREFORE, BE IT RESOLVED that

1. The District objects to and opposes at this time the approval by the RRG of the proposed Developmental Bylaws for Grid West, and objects to and opposes the adoption of such proposed Developmental Bylaws by the Board of Trustees of Grid West.

WHEREAS, the RRG efforts now are focused not on specific, cost-effective solutions to discrete transmission problems, but rather on a complete transformation of the existing transmission system, consolidation of the Bonneville transmission system with that of PacifiCorp and Idaho Power, and on an institution building effort to create yet another regional organization before the task of the new organization is even identified and understood; and

WHEREAS, the District believes that this is a major change in the direction and effort of the RRG, and is inconsistent with the program that was described to the region by the RRG in December of 2003; and

WHEREAS, the District believes that the proposal to continue this institution building effort by adopting the proposed Developmental Bylaws for Grid West at this time will materially detract from the more important effort of identifying and resolving specific regional transmission problems in a least cost manner, and will preclude the consideration and use of more focused and more cost-effective solution; and

WHEREAS, the District believes that the adoption of the proposed Developmental Bylaws is untimely as there has been no analysis to determine if the benefits of creating this organization outweigh the costs, and because the Bonneville Power Administration has been unwilling to provide its preference customers with the assurances that this new regional organization will not materially alter the type and cost of transmission service they receive; and

WHEREAS, it is not in the interests of the region, its electricity users, or the utilities that serve them, nor does it make any sense to spend time, money and effort to adopt bylaws and establish an organization before the task of that organization is identified and understood, and before it is determined whether the benefits of such an organization would be outweighed by its costs.

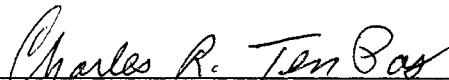
NOW, THEREFORE, BE IT RESOLVED that

1. The District objects to and opposes at this time the approval by the RRG of the proposed Developmental Bylaws for Grid West, and objects to and opposes the adoption of such proposed Developmental Bylaws by the Board of Trustees of Grid West.


2. The District urges the RRG and Grid West in the strongest possible terms to turn their attention to identifying specific transmission problems and least cost ways of addressing them, and to more fully developing the conceptual proposal presented by the RRG in December of 2003 to determine if it is a useful mechanism for implementing least cost solutions to specific regional transmission problems.
3. The District urges the RRG and the Board of Grid West to not consider adoption of the proposed Developmental Bylaws unless and until the RRG proposal, and any alternatives to it, is fully developed and understood, and the costs and benefits of their implementation have been fully evaluated.

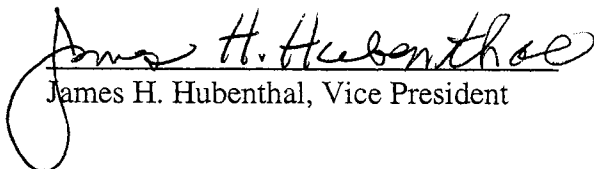
APPROVED AND ADOPTED by the Board of Commissioners of Public Utility

District No. 1 of Lewis County this 29th day of November, 2004.


Charles R. TenPas, President

ATTEST:


John L. Kostick, Secretary


James H. Hubenthal, Vice President